

## Message Text

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ACTION AID-59

INFO OCT-01 AF-06 ISO-00 EB-07 IO-10 NEA-09 ARA-10 EA-10

EUR-12 CIAE-00 COME-00 FRB-01 INR-07 NSAE-00 USIA-15

XMB-04 OPIC-06 SP-02 CIEP-02 LAB-04 SIL-01 OMB-01

NSC-05 SS-15 STR-04 CEA-01 H-02 L-02 /196 W

----- 031473

R 141701Z MAY 75

FM AMEMBASSY ABIDJAN

TO SECSTATE WASHDC 3313

INFO TREASURY DEPT. WASHDC

AMEMBASSY DAKAR

UNCLAS ABIDJAN 4061

EO 1162:N/A

TAGS: EFIN, AFDB

SUBJ: INFO ON AFDB/AFDF

A) STATE 109608; B) ABIDJAN 3966

1. CONVERSATION WITH AFDB STAFF ON MAY 13 AND 14 SHED  
FURTHER LIGHT ON SUBJECTS RAISED PARAGRAPH ONE OF REF. A.

2. AS NOTED IN REF. B VOTING POWER IN BANK IS NOT DIRECTLY  
PROPORTIONAL TO AMOUNT OF CONTRIBUTION SINCE EACH MEMBER IS  
AUTOMATICALLY ASSIGNED BASE OF 625 SHARES. IN ADDITION, IT  
WAS DECIDED AT RABAT ANNUAL MEETING IN JULY 1974 THAT WITH  
AN INCREASE IN AUTHORIZED CAPITAL STOCK, NEW DISTRIBUTION OF  
VOTING POWER WOULD BE DETERMINED BY NUMBER OF SHARES AL-  
READY SUBSCRIBED PLUS ONLY THAT PART OF ADDITIONAL SUBJSCRIP-  
TION ACTUALLY PAID IN. PREVIOUSLY, PLEDGE TO CONTRIBUTE WAS  
BASIS FOR CALCULATING VOTING SHARES.

3. CONTACT IN PRESIDENT LABIDI'S OFFICE REVEALED THAT  
BOTH SAUDI ARABIA AND ARGENTINA ARE SPECTED SHROTLY  
TO COMPLETE FORMALITIES FOR JOINING FUND AND SHOULD  
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BECOME MEMBERS THIS SUMMER.

4. DIRECTOR OF AFDB FINANCIAL DEPARTMENT INDICATED THAT IT IS UNLIKELY BANK WILL UNDERTAKE ADDITIONAL CAPITAL INCREASE IN 1975, GIVEN THAT AUTHORIZED CAPITAL WAS INCREASED IN EACH OF PAST TWO SUCCESSIVE YEARS. DURING 1975, BANK INTENDS TO BORROW SHORT AND LONG TERM TO SECURE ADDITIONAL FINANCES. IN ADDITION TO TWO YEARS BOND ISSUE SCHEDULED FOR JULY 15 IN AMOUNT OF DOLLARS 20 MILLION FOR PLACEMENT IN BANK MEMBER COUNTRY MARKETS, BANK MANAGEMENT IS DISCUSSING POSSIBILITIES OF LONG-TERM LOANS FROM FINANCIALLY STRONGER COUNTRIES, LIKE NIGERIA. BANK HOPES TO SECURE 25-30 YEAR LOAN CONTRACTS WITH INTEREST RATE AROUND 3-4 PERCENT, IE. ABOVE CONCESSIONARY, BUT BELOW MARKET RATE. AT PRESENT AFDB HAS PORTFOLIO OF CONCESSIONAL LOANS FROM NON-MEMBER COUNTRIES (SWEDEN, CANADA AND AUSTRIA) AMOUNTING TO UA 10.6 MILLION. IN FUTURE AFDB INTENDS TO PURSUE POSSIBILITY OF ADDITIONAL LOANS FROM THESE AND OTHER COUNTRIES WHICH ARE NOT MEMBERS OF BANK. MISSION IS SCHEDULED TO GO TO ARGENTINA LATER IN MAY TO DISCUSS OPENING LINE OF CREDIT. BANK MANAGEMENT IS ALSO ENGAGED IN DISCUSSIONS WITH EUROPEAN CORRESPONDENT BANK TO ARRANGE EURO CURRENCY BORROWINGS, WHICH WILL BE FIRST BANK PLACEMENT IN INTERNATIONAL MARKET.

SMITH

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** DEVELOPMENT LOANS, BANKS, FINANCIAL CONTRIBUTIONS, MEMBER ADMISSIONS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 14 MAY 1975  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** n/a  
**Disposition Approved on Date:**  
**Disposition Authority:** n/a  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
**Disposition Date:** 01 JAN 1960  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
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**Executive Order:** N/A  
**Errors:** N/A  
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**Office:** ACTION AID  
**Original Classification:** UNCLASSIFIED  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
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**Reference:** n/a  
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**Review Authority:** SmithRJ  
**Review Comment:** n/a  
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**Review Date:** 24 JUL 2003  
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**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** INFO ON AFDB/AFDF A) STATE 109608; B) ABIDJAN 3966  
**TAGS:** EFIN, IV, AR, AFDB  
**To:** STATE  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006